DEPARTMENT OF ENVIRONMENT

FISH AND WILDLIFE DEVELOPMENT FUND

FINANCIAL STATEMENTS

For the Year Ended March 31, 2005

Provincial Auditor Saskatchewan

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105-06535/

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Fish and Wildlife Development Fund as at March 31, 2005 and the statements of operations, changes in net assets, and cash flows for the year then ended. The Fund's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2005 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
June 21, 2005

Fred Wendel, CMA, CA
Provincial Auditor

FISH AND WILDLIFE DEVELOPMENT FUND
STATEMENT OF FINANCIAL POSITION
As at March 31

	2005	2004
ASSETS		
Current assets		
Due from General Revenue Fund (Note 3)	$ 3,468,919	$ 3,188,725
Accounts receivable (Note 4)	281,565	407,571
	3,770,484	3,596,296
Capital assets (Note 5)	17,172,072	17,033,795
	$ 20,942,556	$ 20,630,091
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	$ 557,818	$ 424,899
Net assets (Statement 3)		
Net assets invested in capital assets	17,172,072	17,033,795
Internally restricted net assets (Note 6)	2,000,000	2,000,000
Unrestricted net assets	1,212,666	1,171,397
	20,384,738	20,205,192
	$ 20,942,556	$ 20,630,091
Commitments (Note 7)		

(See accompanying notes to the financial statements)

FISH AND WILDLIFE DEVELOPMENT FUND
STATEMENT OF OPERATIONS
For the Year Ended March 31

	2005		2004
	Budget (Note 9)	Actual	Actual
Revenues:			
General Revenue Fund transfer (Note 4)	$ 3,280,000	$ 3,446,633	$ 3,340,391
General Revenue Fund grant (Note 4)	340,000	340,000	340,000
Field permits and leases	125,000	126,655	126,951
Interest (Note 3)	55,000	83,551	95,816
Other revenue	120,000	67,484	136,486
	3,920,000	4,064,323	4,039,644
Expenses:			
Fish enhancement projects (Schedule 1)	1,506,000	1,469,756	1,542,686
Wildlife habitat projects (Schedule 1)	1,889,000	2,121,806	1,828,482
Grants in lieu of taxes (Note 6)	300,000	293,215	283,613
	3,695,000	3,884,777	3,654,781
Excess of revenues over expenses	$ 225,000	$ 179,546	$ 384,863

(See accompanying notes to the financial statements)

FISH AND WILDLIFE DEVELOPMENT FUND
STATEMENT OF CHANGES IN NET ASSETS
For the Year Ended March 31

	2005				2004
	Invested in Capital Assets	Internally Restricted	Unrestricted	Total	Total
Balance, beginning of year	$ 17,033,795	$ 2,000,000	$ 1,171,397	$ 20,205,192	$ 19,820,329
Excess of revenues over expenses (expenses over revenues)	(19,035)	—	198,581	179,546	384,863
Net investment in capital assets	157,312	—	(157,312)	—	—
Balance, end of year (to Statement 1)	$ 17,172,072	$ 2,000,000	$ 1,212,666	$ 20,384,738	$ 20,205,192

(See accompanying notes to the financial statements)

FISH AND WILDLIFE DEVELOPMENT FUND
STATEMENT OF CASH FLOWS
For the Year Ended March 31

	2005	2004
Cash flows from (used in) operating activities:		
Receipts from General Revenue Fund	$ 3,898,194	$ 3,400,000
Receipts from sale of field permits, leases, and other	201,629	175,225
Interest received	83,509	106,239
Grant payments	(1,752,715)	(1,309,551)
Payments to municipalities	(293,215)	(283,613)
Payments to suppliers and employees	(1,686,893)	(2,002,515)
	450,509	85,785
Cash flows from (used in) investing activities:		
Proceeds from disposal of capital assets	6,997	113,065
Purchase of capital assets	(157,312)	(303,617)
	(150,315)	(190,552)
Net increase (decrease) in cash position	300,194	(104,767)
Due from General Revenue Fund, beginning of year	3,188,725	3,293,492
Due from General Revenue Fund, end of year	$ 3,488,919	$ 3,188,725

(See accompanying notes to the financial statements)

FISH AND WILDLIFE DEVELOPMENT FUND
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2005

1. Purpose of the Fund

The Fish and Wildlife Development Fund (Fund) operates under the authority of Section 20 of *The Natural Resources Act*. The Fund was established for the purposes of preventing the reduction of wildlife habitat and wildlife population in the agricultural area of the province and for fish enhancement projects intended to prevent the loss of fish or fish habitat. The Department of Environment administers the Fund.

2. Significant Accounting Policies

The financial statements are prepared using Canadian generally accepted accounting principles for not-for-profit organizations. The following accounting policies are considered significant:

a) Revenue

The Fund follows the deferral method of accounting for contributions. Any restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

The transfer from the General Revenue Fund is recognized when certain hunting and fishing licences are issued.

Field permit and lease revenue is recognized when the permit is issued or the lease payment is due.

b) Grants

Grant expenses are recognized when approved and the recipient has met eligibility criteria.

Grant revenues are recognized when received from the General Revenue Fund.

c) Capital Assets

Purchased capital assets are recorded at cost. Amortization commences in the year of acquisition and is provided on a straight-line basis over the asset's estimated useful life. Annual rates for equipment are from 5% to 33%.

Donated land is recorded at fair value at the date of contribution as a direct increase in net assets.

The Fund made agreements with other conservation agencies for the joint acquisition of land for wildlife related purposes. The Fund records its cost of jointly owned land at the date title is transferred to both parties.

3. Due From General Revenue Fund

The Fund's money is on deposit with the General Revenue Fund (GRF) and in a bank account included in the Consolidated Offset Bank Concentration arrangement for the Government of Saskatchewan. The Fund's earned interest is calculated and paid by the GRF on a quarterly basis to

the Fund using the Government's thirty-day borrowing rate and the Fund's average daily account balance. The Government's average thirty-day borrowing rate for 2005 is 2.19% (2004 – 2.79%).

4. Revenue - General Revenue Fund

The annual transfer from the General Revenue Fund has been set by Order in Council 526/95 as an amount equivalent to 30% of certain hunting and fishing licence fees collected by the Department of Environment. A receivable is recorded for the portion of the licences issued before the year-end for which fees have not yet been received. Included in the accounts receivable at March 31, 2005 is $265,848 (2004 - $377,365) receivable from the General Revenue Fund.

The Fund also received a grant of $340,000 from the General Revenue Fund as part of a three year plan to offset additional salary costs the Fund incurred in the past.

5. Capital Assets

	2005			2004
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	$ 14,535,888	$ ---	$ 14,535,888	$ 14,511,888
Land – joint ownership	2,570,472	---	2,570,472	2,454,916
Equipment	549,806	484,094	65,712	66,991
	$ 17,656,166	$ 484,094	$ 17,172,072	$ 17,033,795

6. Internally Restricted Net Assets - Municipal Habitat Conservation

Internally restricted net assets were established to compensate rural municipalities for taxes foregone on lands acquired by the Fund for wildlife habitat conservation purposes. The interest earned on this amount is reported in the unrestricted fund and is used to assist in paying rural municipalities grants in lieu of taxes on Fund lands located within their boundaries.

7. Commitments

The Fund is committed to carry out certain wildlife habitat and fish enhancement projects next year totalling $177,485.

8. Financial Instruments

The Fund's financial instruments include accounts receivable, accounts payable and due from General Revenue Fund. The fair value of these instruments approximates their carrying value due to the immediate or short-term maturity of these financial instruments.

The Fund is exposed to credit risk from the potential default of customers. However, the majority of the Fund's receivables are from other government agencies and reputable long-term corporate clients. Therefore, the credit risk is minimal.

9. Budget

The Budget for the Fund is included with the Department of Environment's budget submission to Treasury Board. Treasury Board approves the Fund's budget annually.

10. Related Party Transactions

These financial statements include transactions with related parties. The Fund is related to all Saskatchewan Crown agencies such as departments, corporations, boards, and commissions under the common control of the Government of Saskatchewan. Also, the Fund is related to non-Crown enterprises that the Government jointly owns or significantly influences.

Routine operating transactions with related parties are recorded at agreed upon rates and are settled on normal trade terms. These transactions are as follows:

	2005	2004
Expenses:		
Contractual services	$ 156,804	$ 65,876
Supplies and materials	2,837	3,438
Grants	878,000	878,000
Central Vehicle Agency rentals	81,476	82,561
Utilities	78,290	71,748
Telephone	6,984	11,389
Travel expenses	303	—

Included in accounts payable is $494,815 (2004 - $271,278) owing to related parties.

Other transactions with related parties and amounts due to/from them are described separately in the financial statements and notes.

The Fund pays provincial sales tax to the Saskatchewan Department of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

In accordance with established government policy, the Fund has not been charged with certain costs including occupancy, financing, and certain administrative costs. These costs have been absorbed by various departmental appropriations and, therefore, no provision for such costs is reflected in these financial statements.

11. Conservation Easements

The Fund made agreements with other conservation agencies for the purpose of securing wildlife habitat through the purchase of conservation easements. Under these agreements, the Fund contributes a portion of the costs to acquire these easements upon the registration of the easement with the relevant land titles office. The conservation agencies made separate agreements with landowners for the purchase of these easements.

The Fund is not party to the agreements with the landowners for these conservation easements. Accordingly, the Fund has not recorded these costs as capital assets. The Fund's share of these costs for the year amounting to $631,757 (2004 – $364,999) have been expensed in the Statement of Operations.

Schedule 1

FISH AND WILDLIFE DEVELOPMENT FUND
SCHEDULE OF EXPENSES
For the Year Ended March 31

	2005				2004
	Budget	Fish Habitat Projects	Wildlife Enhancement Projects	Total	Total
Salaries	$ 900,000	$ 577,994	$ 416,465	$ 994,459	$ 1,173,973
Contractual services	330,000	169,400	312,955	482,355	514,072
Supplies and materials	195,000	83,709	25,277	108,986	131,324
Grants (Note 11)	1,653,000	452,333	1,300,382	1,752,715	1,309,551
Central Vehicle Agency rentals	100,000	62,242	19,234	81,476	82,561
Travel expenses	65,000	20,058	33,624	53,682	55,857
Utilities	80,000	78,289	---	78,289	71,748
Amortization	22,000	18,034	1,001	19,035	18,607
Telephone	15,000	7,697	235	7,932	12,448
Communications	35,000	---	1,000	1,000	1,027
Bad debt expense	---	---	11,633	11,633	---
	$ 3,395,000	$ 1,469,756	$ 2,121,806	$ 3,591,562	$ 3,371,168